

ORIGINAL

*Docket No. G-04204A*



0000017646

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

4700

Investigator: Reg Lopez

Phone: (520) 628-6555

Fax: (520) 628-6559

Priority: Respond Within Five Days

*G-04204A-05-0046*

Opinion No. 2005 - 42268

Date: 2/17/2005

Complaint Description: 09Z Rates/Tariffs - Other

First:

Last:

Complaint By:

Leo E.

Clark

Account Name:

Leo E. Clark

Home: (928) 526-6612

Street:

4809 E. Double Eagle Way

Work: (000) 000-0000

City:

Flagstaff

CBR:

State:

AZ Zip: 86004

is:

Utility Company:

Unisource Energy Services \* (UNS)

Division:

Gas

Contact Name:

Jean Dannen

Contact Phone: (928) 226-2290

Nature of Complaint:

Received letter dated 2-14-05. Letter addresses PGA. Customer suggests UES do some cost cutting to recover their gas costs, if further states "it would appear their (UES) cost of operation has plenty of cushion, based on the 58.7% increase" which the ACC granted 2003. (See attached copy of letter).

\*End of Complaint\*

Utilities' Response:

Investigator's Comments and Disposition:

2-17 I called the customer to acknowledge receipt of letter and forwarding of his letter to Unisource. No answer. I e-mailed Opinion to UES @ 3:45pm and faxed letter as well. File closed.

\*End of Comments\*

Date Completed: 2/17/2005

Opinion No. 2005 - 42268

Arizona Corporation Commission

DOCKETED

FEB 22 2005

DOCKETED BY	<i>KS</i>
-------------	-----------

AZ CORP COMMISSION  
DOCUMENT CONTROL

2005 FEB 22 P 4:17

RECEIVED

# **ARIZONA CORPORATION COMMISSION**

**FAX**

***TO: Jean Dannen***

***COMPANY: Unisource-Gas***

***DATE: February 17, 2005***

***FROM: REG LOPEZ***

***UTILITIES DIVISION/ TUCSON OFFICE***

***OFFICE: (520) 628-6555 (LOCAL NUMBER)***

***OR TOLL FREE 1-800-535-0148***

***FAX: (520) 628-6559***

***E-MAIL:RXL@UTIL.CC.STATE.AZ.US***

**PAGES ( INCLUDING COVER SHEET: 2**

**Regarding Opinion for Leo E. Clark ,2005-42268.**

February 14, 2005

Arizona Corporation Commission  
Utilities Division  
1200 W. Washington  
Phoenix, AZ 85007

Gentlemen:

Re: UniSource Energy Services  
Request for PGA Surcharge of 6%  
Coconino County, Flagstaff

In 2003 UniSource Energy Services purchased Citizens Arizona Gas, at which time the Basic Cost of Service rate increased 58.7%.

Example - Basic Cost of Service Rate:

December 2002, Citizen Arizona Gas	.4414000
December 2003, UniSource Energy Services	<u>.7004000</u>
Rate Increase	.2590000
	58.7%

UES claims their cost of gas for this past winter is 16% higher then the amount collected from customer billings. Since the PGA Cost which is charged each month is based on average cost of gas over previous year it would appear this shortfall will be picked up during the next year as the average adjusts higher. The PGA Surcharge of 6%, which UES is requesting would in the long run be a double hit of increases.

I would suggest that UES do some cost cutting to recover their gas cost increases. It would appear their cost of operation has plenty of cushion, based on the 58.7% increase which the Corporation Commission approved in 2003 after UES completed the purchase from Citizen Arizona Gas.

Very Truly Yours,



Leo E. Clark  
4809 E. Double Eagle Way  
Flagstaff, AZ 86004